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13 PIXAR

14 **UNITED STATES DISTRICT COURT**
15 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**

16 IN RE HIGH-TECH EMPLOYEE
17 ANTITRUST LITIGATION

Case No.: C 11-CV-2509-LHK

18 THIS DOCUMENT RELATES TO:
19 ALL ACTIONS

20 **DECLARATION OF JAMES M.
KENNEDY PURSUANT TO CIVIL
LOCAL RULE 79-5 SUBMITTED
IN SUPPORT OF DEFENDANTS'
RENEWED ADMINISTRATIVE
MOTION TO FILE UNDER SEAL**

21 Date: August 8, 2013
22 Time: 1:30 p.m.
Courtroom: 8, 4th Floor
23 Judge: Hon. Lucy H. Koh

24 Date Consol. Amended Compl. Filed:
May 4, 2011

25 **Trial Date: May 27, 2014**

DECLARATION OF JAMES M. KENNEDY

I, James M. Kennedy, declare as follows:

1. I am the Senior Vice President, Business Strategy and Chief Legal Counsel for Pixar, and I am an attorney licensed to practice law in the State of California. The matters set forth herein are true and correct of my own personal knowledge and information provided to me. If called as a witness, I could and would testify competently thereto.

2. I submit this declaration pursuant to Civil Local Rule 79-5 and this Court's Standing Order with respect to documents that Defendants request be maintained under seal. See Joint Administrative Motion to File Under Seal filed on April 12, 2013. Pixar requests that certain materials designated as confidential by Pixar and lodged under seal be sealed pursuant to Civil Local Rule 79-5. In particular, Pixar requests that the Court maintain under seal (a) portions of the Expert Report of Dr. Edward E. Leamer ("Leamer Report") (Dkt. No. 190) and (b) portions of the Expert Report of Dr. Kevin M. Murphy ("Murphy Report") (Dkt. No. 230).

3. Public versions of these materials were filed on October 1, 2012 and November 14, 2012. In the public versions, the parties redacted those portions that refer to the contents of Pixar's confidential information.

4. I have reviewed the Leamer Report, the Murphy Report and Defendants' Renewed Administrative Motion. Good cause exists to file under seal the following figures, exhibits, and appendices, which contain competitively sensitive and proprietary information about Pixar's hiring and compensation practices. Pixar's proposed redactions to these documents are being lodged with the Court.

Leamer Report (Dkt. No. 190)

With respect to information regarding Pixar, good cause exists to seal Figures 3 and 4 of the Leamer Report. *See* Dkt. No. 190, at 23. The Figures reflect highly confidential and competitively sensitive data regarding Pixar's compensation levels and cost structure. Disclosure would create a substantial risk of serious competitive harm to Pixar because its competitors would gain insight into Pixar's competitive and proprietary compensation practices.

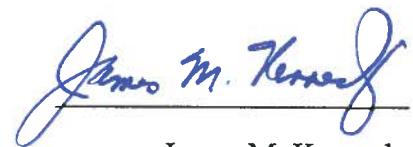
1 Pixar would be deprived of its investments in developing these practices and would be placed at
2 a significant disadvantage with respect to compensating its employees. Pixar would therefore
3 be prejudiced if the information were made available to the general public.

4 Murphy Report (Dkt. No. 230)

5 With respect to information regarding Pixar, good cause exists to seal Exhibits
6 2A (the column showing the number of Pixar employees by year), 2B (the column showing the
7 number of Pixar employees by year), 5 (the column showing the number of Pixar Software
8 Engineers by year), 8A (the column showing the composition of total Pixar compensation), 8B
9 (the column showing the composition of total Pixar compensation), 10 (the chart reflecting
10 Pixar data) and 19 (the column showing Pixar's Average Change in Total Compensation), and
11 Appendices 3A-4D (the columns related to Pixar), 5E, and 6E of the Murphy Report (Dkt. No.
12 230). The Exhibits and Appendices reflect highly confidential and competitively sensitive data
13 regarding Pixar's hiring and compensation practices and strategies. Disclosure would create a
14 substantial risk of serious competitive harm to Pixar because its competitors would gain detailed
15 insight into Pixar's competitive and proprietary hiring and compensation strategies and cost
16 structure. Pixar would therefore be prejudiced if the information were made available to the
17 general public.

18 5. I declare under penalty of perjury under the laws of the State of California and
19 the United States that the foregoing is true and correct.

1 Executed on April 12, 2013, in Emeryville, CA.
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James M. Kennedy